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SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION:
FIRST UNITED NATIONS DECADE FOR THE ERADICATION OF POVERTY

Bangladesh, Cape Verde and Peru: draft resolution

Role of microcredit in the eradication of poverty

The General Assembly,

Taking note of the report of the Secretary-General on the observance of the International Year for the Eradication of Poverty (1996) and recommendations for the rest of the First United Nations Decade for the Eradication of Poverty,

Recognizing that people living in poverty are innately capable of working their way out of poverty with dignity, and can demonstrate creative potentials to improve their situation when an enabling environment and the right opportunities exist,

Noting that in many countries of the world, microcredit programmes, by providing access to small capitals to people living in poverty, have succeeded in generating productive self-employment,

Also noting that microcredit programmes have proved to be an effective tool in freeing people from the bondage of poverty, and have led to their increasing participation in the mainstream economic and political processes of society,

Bearing in mind that microcredit programmes have especially benefited women and have resulted in the achievement of their empowerment in a world where more women than men live in absolute poverty and that imbalance continues to grow,

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[1] A/52/573.

Recognizing that microcredit programmes, in addition to their role in the eradication of poverty, have also contributed to the social and human development process,

1. Welcomes the outcome of the Microcredit Summit, held at Washington, D.C., from 2 to 4 February 1997, which through its Declaration and Plan of Action,[1] launched a global movement to reach 100 million of the world's poorest families, especially women of those families, with credit for self-employment and other financial and business services, by the year 2005;

2. Notes with satisfaction that, as called for in Assembly resolution 51/178 of 16 December 1996, many United Nations agencies and the World Bank have actively participated in the Summit and thus contributed to its successful outcome;

3. Takes note of the Declaration and Plan of Action of the Microcredit Summit,[2] the communiqué[3] issued by the Council of Heads of State and Government at the Summit, and messages to the Summit from the Chairman of the Group of 77 and China[4] and the Secretary-General of the United Nations;[5]

4. Encourages all involved in poverty eradication programmes to consider incorporating microcredit schemes in their strategies;

5. Also encourages them to adopt policies that support the development of microcredit institutions so that credit may be made available to increasing numbers of people living in poverty;

6. Calls on the relevant organs, organizations and bodies of the United Nations system, in particular its funds and programmes and the regional commissions, as well as international and regional financial institutions and donor agencies involved in the eradication of poverty, to explore including the microcredit approach in their programmes as a tool for the eradication of poverty;

7. Calls on all concerned non-governmental organizations, other actors of civil society and the private sector to support and incorporate, as appropriate, microcredit schemes in their programmes for the eradication of poverty;

8. Takes note of the positive references in support of the role of microcredit contained in the final documents of the Meeting of Foreign Ministers of the Non-Aligned Movement (New Delhi, 4-8 April 1997), the Ninth South Asian Association for Regional Cooperation Summit (Male, 12-14 May 1997), the Organization of African Unity Summit (Harare, 2-4 June 1997), the substantive

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[1] A/52/113, annex I.

[2] Ibid., annex II.

[3] Ibid., annex III.

[4] Ibid., annex IV.

session of 1997 of the Economic and Social Council (Geneva, 30 June-25 July 1997) and the Commonwealth Heads of Government Meeting (Edinburgh, 24-27 October 1997).